GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:7638
ANSWERED ON:15.05.2000
OIL OFFER TO SHIVANI COMPANY
BHUWAN CHANDRA AVSM (RETD.) KHANDURI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Oil India Limited has given an offer to M/s.Shivani Company(SUVL Rig) for drilling at Simen Chapori site in Assam State at the rate of about Rs.9.00 lakhs per day;

(b) if so, whether other drilling companies are doing the same job in the same region at the lower rate;

(c) if so, the reasons for offering such high rate to M/s.Shivani Company(SUVL Rig);

(d)whether any tender was invited for this drilling site and if so, the names of the companies participated in the tender;

(e) whether no tender was invited for this drilling site and if so, the action Government propose to take in this regard; and

(f) the persons responsible for this excess payment to the said company and how much loss the Government is likely to suffer by this drilling operation?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (f) : The requisite information is given in the annexure.

Annexure

Reply to Parts (a) to (f) of Lok Sabha Unstarred Question no.7638 for answer on 15.5.2000

(a), (b) & (c): Oil India Limited has a contract with M/s.Shiv Vani Universal Limited(SVUL) to drill six exploratory wellsSVUL is drilling six exploratory wells in the `wildcat` area of Simen Chapori in Dhemaji District of Assam, located in the logistically difficult terrain in the north bank of the river Brahmaputra, at an existing operating day rate comprising of Rs.6 lakhs and US$ 6,600/-.

So far no exploratory drilling operations, except with M/s.SVUL`s rig, have been carried out either by OIL or by any other agency in this virgin area of the north bank of the river Brahmaputra in Assam.

(d), (e) & (f): Oil India Limited decided to continue with the existing contract with SVUL for drilling the swell at Simen Chapori and did not go in for a fresh tender for this one well alone for the following reasons:

(i) High Priority attached to exploratory drilling in the north bank of river Brahmaputra.

(ii) Subsisting contract with M/s.SVUL for drilling of six exploratory wells, out of which two wells remain to be drilled.

(iii) Simen Chapori well is located in the Murkongselek Petroleum Exploration Licence(PEL) area which is contiguous to Lakhimpur PEL area, where six exploratory wells were originally proposed to be drilled, and both these PELs are on the north bank of the river Brahmaputra.

(iv) Anticipated delays in finalisation of a new contract in such a remote area with difficult terrain in Assam, that too for one well only.

(v) Commercial and operational aspects favour continuation of the existing contract in comparison to other available options.

The rig of M/s.SVUL has already been mobilised to Simen Chapori well location and drilling work will commence shortly.